

# FOREIGN POLICY BULLETIN

*An interpretation of current international events  
by the Research Staff of the Foreign Policy Association*



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## ***New Jewish State Faces Defense As First Task***

A swift succession of events followed on the stroke of midnight, May 15, when Britain's mandate in Palestine came to an end. Zionist leaders, having proclaimed the new state of Israel earlier in the day, were immediately confronted with full-scale war. For Tel Aviv, the seat of the provisional Jewish government, was bombed from the air, and troops from neighboring Arab countries were soon reported to have crossed the borders into the Holy Land. The most surprising event of the week end and the most welcome to Zionist spokesmen, however, was Washington's prompt announcement on May 14 that the United States had granted *de facto* recognition to the newly created state.

This action on the part of President Truman was as unexpected by American delegates at the special session of the UN General Assembly on Palestine as it was by representatives of other nations. The news of United States recognition served to bring the meeting at Lake Success to a speedy close, but not before the seeming about-face in American policy was bitterly denounced by Arab and Russian delegates. Russia, it is believed by observers at Lake Success, was displeased at the United States not so much for having recognized Israel, but for having done so ahead of Moscow. The Soviet Union granted official recognition to the provisional Jewish regime on May 17. Russia's action, moreover, appears to go farther than that of the United States, for the Soviet note implies *de jure* as well as *de facto* recognition of Israel.

### ***New Threat to the Peace***

America's recognition of the state of Israel

may be regarded in the future as the most important development of the historic May 15 week end. Washington has already intimated that it may lift the arms embargo which this country has recently maintained in relation to the Middle East. But the most immediate problem facing the United States and other countries in the UN is the threat to peace arising out of overt military action on the part of Arab states surrounding the Holy Land. On May 15 the Security Council met to deal with this situation and heard a message from the Egyptian government bluntly announcing that its troops had entered Palestine to "restore security and order."

On its face this action appears clearly a threat to peace under the terms of the UN Charter and could conceivably lead to concerted action by the UN against Egypt or other Arab states. By May 17 it was clear that both the United States and Russia were in substantial agreement that a threat to peace exists. But news dispatches from London raise the issue whether such military action by the Arab states constitutes, in fact, a threat to peace under a strict interpretation of the Charter. Foreign Office spokesmen have implied that Britain will recognize the new Jewish state only when the Tel Aviv government has established its authority over a well-defined area, gained greater stability, and recognized its international obligations.

### ***On-the-Spot Test***

If warfare in Palestine is to be halted immediately, strong action by the members of the Security Council will be required. It is likely, however, that the real test to

determine what authority eventually prevails in the Holy Land will take place in Palestine itself. For many months Zionist leaders have believed this would be true, although they have never ceased to press their case energetically before the UN. They have accordingly established the provisional regime, now in control of Tel Aviv, which claims authority over the areas proposed for the Jewish state under the November 29 partition scheme.

Established as a parliamentary democracy with a 37-member Council, Israel is to be governed by a 13-member cabinet until such time as elections can be held and a new constitution framed. The eminent Zionist, Dr. Chaim Weizman, who is now in New York, has been elected first President of Israel, while David Ben-Gurion as Prime Minister and Minister of Defense, and Moshe Shertok, former Jewish Agency representative at the UN and now Foreign Minister, have launched the new state in Israel. The cabinet's first official act was to repeal the immigration restrictions imposed under the 1939 British White Paper. Other plans for colonization, raising living standards and gaining a place in the UN have all been laid. Defense of the new state, however, will be the cabinet's chief task in the months ahead.

For defense, Israel must depend on Haganah, the former military organization of the Jewish Agency. It numbers some 85,000 troops, only about one-fourth of which are trained and equipped for front-line fighting. More recruits will doubtless be added to these ranks, but Zionist leaders have always claimed that Haganah could defend the Jewish state if

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arms and other military supplies were made easily available. One inescapable problem for Haganah, which may prove overwhelming, is that of having to defend Israel from the north, east and south and in the air at the same time that it attempts to protect isolated Jewish settlements in outlying Arab sectors of Palestine.

Against Haganah may eventually be arrayed the combined forces of the Arab

League. The Arab states are divided among themselves on many issues, but not on opposition to Zionism. Possibly they might throw all of their military forces, estimated at 212,000, against Israel. Only King Abdullah of Trans-Jordan, however, has troops which are fully mechanized. Abdullah has received an annual grant from Britain of \$8,000,000 to modernize his troops, some of which have

been stationed to date in Palestine under British command. If, in the end, large-scale force is used on the spot, it is not certain whether the Arab armies, although they outnumber those of Israel, could win a military victory. But long-term war in the Middle East, far from settling the issue in the Holy Land, might spread to the entire Moslem world and beyond.

GRANT S. McCLELLAN

## ***U.S. and U.S.S.R. Reassess Prospects For Negotiations***

The exchange of official statements by the United States and the U.S.S.R. concerning their respective policies; the formulation of plans at The Hague, under the leadership of Winston Churchill, for a federation of Europe; and the new interest of the Washington administration in making the UN an effective instrument in world affairs, all represent an interconnected pattern of reassessment by many nations of the prospects for postwar stabilization. Repeated disillusionments and setbacks have made everyone cautious about venturing optimistic forecasts. Yet judging by reports of public opinion reactions here and in Europe it would seem that the future is at least not "impenetrable," as a Rome correspondent had written in the *Commonweal* on the eve of the Italian elections.

### ***Diplomatic Feelers***

The revelation by the Moscow radio on May 10 that American Ambassador Walter Bedell Smith and Russian Foreign Minister Molotov had exchanged statements about the respective policies of the two countries had widely varying repercussions. On the whole, the State Department was praised for having taken the initiative to inform the Kremlin, first, of the reasons why this country views Russian actions with suspicion; and second, of Washington's intention, while maintaining the policy developed during the past year, to hold the door open to future negotiations. Considerable criticism was expressed, however, both here and in the capitals of Western European nations, about the method chosen by the United States for conveying this message to the Soviet government—especially Washington's failure to inform our potential allies concerning what was interpreted as a unilateral approach to Russia, no matter how limited in its objective. The subsequent declarations by President Truman and Secretary of State Marshall that the American statement communicated by Ambassador Bedell Smith on May 4 represented no

change in policy were discounted in some quarters, and Secretary Marshall's insistence that, if negotiations were to take place, they must proceed through the UN and other existing international agencies were regarded as in contradiction to the initial *démarche* in Moscow, which had been undertaken outside the UN framework.

The Soviet government, for its part, was criticized by many, both here and in Europe, for having taken advantage of what, according to accepted diplomatic practice, would normally be regarded as confidential exchanges, to launch a public campaign for new negotiations with the United States. Critics pointed out that Mr. Molotov, in his reply of May 9 to Ambassador Bedell Smith's communication, had completely passed over the blunt American criticisms of Russia's postwar foreign policy, and instead had seized this occasion to point out actions of the United States which the Soviet government considers to be inimical to its interests. Other observers, however, took the view that it was unrealistic to expect the government of the U.S.S.R.—or, for that matter, of any great power—merely to acquiesce in the criticisms made by another great power, and that the United States, if adequately informed about the processes of diplomacy in general and Russian practices in particular, should not have been as surprised as it appeared to be at the use Mr. Molotov made of this incident. What, asked some observers, did the United States hope to achieve by its statement? Would it have preferred to have Russia reject it outright, or pass it over in silence? If not, then was not Russia's reply, propagandistic as it might be in tone and shrewdly calculated in intent, the kind of reply Washington had sought to elicit?

### ***What Kind of Peace?***

The real issue, however, appeared to most commentators not the real or alleged mis-

takes in diplomatic handling of the Washington-Moscow exchange, but the character of the settlement that might conceivably be arrived at as a result of renewed Russo-American negotiations. The most notable points of the Molotov statement, in the opinion of many, were the emphasis on the need for some form of commercial understanding that would not encroach on national sovereignty—a point the Russians keep on making against the ERP; and the prospect of defining the respective spheres of influence of the two postwar superpowers, the United States and Russia. The possibility of a commercial understanding which would cover not only the interests of the United States and Russia but, far more important, the development of economic relations of East and West in Europe, has become a matter of paramount importance since the official launching of the ERP. This was made clear by Russia's neighbors, notably Poland and Czechoslovakia, during the meeting in Geneva, April 26-May 8, of the UN Economic Commission for Europe, on which these two countries, as well as the United States and Russia, are represented. Recently, however, Washington has been reluctant to make American goods available to the countries of Eastern Europe, on the ground that they might be used for war purposes.

As to the possibility of delimiting respective spheres of influence, it is increasingly recognized that the balance of power gradually developed since the nineteenth century was irrevocably broken up by two world wars. If a new balance is to be established, it will have to be established not with reference to this continent or that, as was true in the days when Britain and France, or Britain and Russia, succeeded in agreeing on spheres of influence in Africa or the Middle East, but on a world scale. This means, as some American spokesmen have pointed out, that a definition of interests affects the destiny not merely of a few countries, but of the

entire globe. But what procedure will prove most productive of results under the circumstances? Should the United States insist that future negotiations be carried on solely through the UN, which hitherto Washington has considered too weak to deal with the Truman Doctrine, the Marshall plan, and the partition of Palestine recommended by the General Assembly—or should the United States and the U.S.S.R. simultaneously resort to bilateral diplomatic negotiations in Washington and Moscow?

A partial answer to this question was

given by Premier Stalin on May 17 in a radio broadcast in which he accepted the program outlined by Henry A. Wallace in an open letter to Stalin on May 11 “as a good and fruitful basis” for discussion and settlement of the differences between the two great powers. Mr. Wallace’s letter proposed a general reduction of armaments and prohibition of atomic weapons; conclusion of peace treaties with Germany and Japan and evacuation of troops from these countries; evacuation of troops from China and Korea; respect for the sovereignty of individual countries and non-

interference in their domestic affairs; the inadmissibility of military bases in member countries of the UN; world development of international trade excluding any sort of discrimination; defense of democracy and insuring of civil rights in all countries, and other steps. The point of view of the Washington administration so far has been that, while the door remains open to negotiations, the Soviet government must demonstrate the sincerity of its intentions by acts, not words.

VERA MICHELES DEAN

(The first of three articles on new trends in American foreign policy.)

## Will ECA Seek To Check Nationalization In Europe?

WASHINGTON—Lewis Douglas, American Ambassador in London, told the House Foreign Affairs Committee on January 14 that any attempt to prohibit countries receiving assistance under the European Recovery Program from carrying out their plans for nationalization of industry would be “too much of an invasion of the right of free people to determine the sort of economic system under which they wanted to live.” On May 12, Paul G. Hoffman, Economic Co-operation Administrator, told the Senate Appropriations Committee that he probably would refuse to help the United Kingdom (and by implication any other Western European countries) develop any industry which the British government might now begin to nationalize.

### Hoffman’s Policy

Administrator Hoffman’s announcement amounts to American intervention in the relations between the political parties in Britain. The Labor party now in power won the election in 1945 on a Socialist platform promising the nationalization of major industries; the Conservatives, for their part espoused private ownership. Mr. Hoffman’s statement would not require Britain to denationalize the coal mines or the railways, but it would prevent the nationalization in the future of the iron and steel companies—a step which the British government itself has postponed but not abandoned. While Mr. Hoffman explained to the Senators that he based his policy completely on economic and not political considerations, it cannot be forgotten that the European

Recovery Program is an economic device for achieving a political as well as an economic end; and the application of the program is bound to have political consequences. The use of an antinationalization policy in dealing with governments chosen in free elections by voters who favor public ownership could compound the present confusion in Europe rather than promote the purpose of the ERP.

The Economic Co-operation Act gives the administrator wide powers of interference in the affairs of the recipient countries. It does not require the withholding of goods from countries engaged in nationalization, but it does direct the participating governments to make “efficient and practical use” of their resources, including the commodities they obtain through the operation of the act. Mr. Hoffman doubts that nationalization promotes efficiency. “We would have to decide whether socialization would make for recovery,” he said. “My guess is that it would not.” The resignation on May 14 of Sir Charles Reid from the British National Coal Board, in the midst of controversy in the United Kingdom over the efficiency of government management of the coal mines, seemingly bolsters Hoffman’s position, but Sir Charles himself said: “There is nothing wrong with nationalization. What is wrong is the machine that is running it.”

### ECA and Eastern Europe

Mr. Hoffman’s policy, moreover, could prevent the extension of aid to Eastern European countries should they decide to

seek help from the Economic Co-operation Administration. The report of the Senate Foreign Relations Committee of February 26 approving the ERP called the maintenance of commerce between Eastern and Western Europe a “desirability.” W. Averill Harriman, United States special representative abroad for European recovery, said in Paris on May 11 that if the United States and the Soviet Union reached a comprehensive understanding about their present differences, it would mean the voting of new credits or a new distribution of ECA resources to include the countries of Eastern Europe. But since these countries without exception are carrying out nationalization programs, they could not qualify for help under Administrator Hoffman’s policy.

The ERP act, by Section 112(g), forbids the shipment of goods that are obviously military supplies—guns, planes, bombs, and so on—to any country wholly or partly in Europe which is not a participating country,” e.g. Russia; and Mr. Hoffman on May 13 revealed that he interpreted this provision to mean that countries receiving ECA help are forbidden to send materials to Russia that might be used for armament. Under Republican pressure, President Truman announced in March that the United States after April 15 would refuse to permit unlicensed shipment to Russia of airplane engines and component parts and materials that clearly are implements of war. This arms embargo in itself, however, need not seriously harm the prospects for East-West trade, if such trade is desired. BLAIR BOLLES

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# FPA NEWS

## Program Notes

The American Public Relations Association has just announced the first *International Public Relations Institute* to be held in Washington, May 23 to 27. On Monday from 2 to 5 o'clock there will be sessions on public relations in the Pan American, European and Far Eastern fields. A World Trade luncheon and a United Nations ball will contribute to the international theme of the institute.

A *Teaching Clinic on International Affairs* was held on Saturday, May 8, at FPA Headquarters. At the conclusion of the sessions, the teachers attending unanimously requested a similar teaching clinic for the fall. Outlines, bibliographies, and teaching materials which were used at the clinic are available for 10c. to cover postage.

An intensive three-year plan to create vital discussion on international affairs has been undertaken by the *Philadelphia FPA*. The new program will include lecture series, radio programs, high school and college forums, and service bureaus. This enlarged program is the culmination of an enviable record of a quarter century of service in the development of public understanding of international affairs in Philadelphia.

## FPA Cross-Section

If all the members of the FPA were to gather together they would have to travel from every state in the Union, and a few from other countries. They would represent a wide variety of occupations. There would be farmers, department store clerks, public utility executives, food processors, doctors and lawyers, dentists and judges. The governors of several states and a few college presidents would be present. A large section of the gathering would be made up of high school students and teachers. Bankers and insurance salesmen could sit together with housewives and members of both Houses of Congress. A glove salesman might talk to an ambassador or a librarian. Radio commentators and newspapermen, authors and artists, actors and advertising agents would all be there. Lumbermen and society leaders could sit side by side. Members of the Foreign Policy Association represent a cross-section of America and influence public opinion in every phase of American life. Perhaps you, as a member, would like to increase our number by proposing that your friends join the association.

## Association Meetings

UTICA, May 24; DETROIT, May 25; INDIANAPOLIS, May 26; *Rumania Speaks from Behind the Iron Curtain*, Constantin Visoianu, Alexandre Cretzianu, Hal Lehrman

## UNESCO in San Francisco

On May 13, 14 and 15 the World Affairs Council of Northern California was host to the Pacific Regional Conference on UNESCO in San Francisco, attended by 3,000 delegates from seven Western states, Alaska and Hawaii. The purpose of the conference was to encourage the growth of public participation in the UNESCO program and to open channels for the initiative and drive which come from the grass roots. The theme of the conference was "Meeting Crisis with Understanding—You Can Help." Three plenary sessions and numerous section meetings on education, communication, human and social relations, cultural interchange, and natural science, sought to translate UNESCO principles into simple terms. Delegates were invited to become acquainted with the activities of the World Affairs Council of Northern California, whose Documents Shop is an official distribution agency for UNESCO publications.

Vera Micheles Dean, Research Director of the Foreign Policy Association, attended the conference as the association's delegate, and delivered an address at the second plenary session on "Our Responsibilities in 1948." Other speakers at plenary sessions were George V. Allen, Assistant Secretary of State for Public Affairs; William Carr, Executive Secretary, Educational Policies Commission of the National Education Association; George V. Stoddard, president of the University of Illinois; Margaret Mead, anthropologist; and Erwin Canham, editor of the *Christian Science Monitor* and president of the American Society of Newspaper Editors. The opening luncheon on May 13 was addressed by Lynn T. White, Jr., president of Mills College, and Mrs. Louise L. Wright, Director of the Chicago Council on Foreign Relations.

## Headline Series for May

DOES OUR FOREIGN POLICY MAKE SENSE?  
by Joseph C. Harsch

with an article by E. E. Minett on  
"The Reality of Ideals in Foreign Policy"  
*Headline Series*, No. 69—35 cents a copy

## News in the Making

Britain's efforts to provide a *new constitution* for the strategic crown colony of Cyprus in the eastern Mediterranean are complicated by the Greek Communist issue. Rightist leaders oppose the constitution partly on the ground that the British administration is fostering communism by dealing with Leftist elements in the largely Greek population of the island. . . . The Department of Commerce will shortly issue a "*catalogue of commodities*" which may be exported to the U.S.S.R. and Eastern Europe. This new list is expected to remove much of the confusion that has prevailed in export circles since March 1, when a rigid system of controls became operative. The ban on exports will include any item which could be used in the rearmament of the Soviet bloc. To reinforce this rule, it is probable that all export licenses will remain subject to military veto. Meanwhile, controls now in force have resulted in a sharp decline in American sales to Eastern Europe and the Soviet Union. In 1947, our exports to the satellites averaged \$40 million a month; those to Russia were about \$12 million monthly. This past March, however, shipments to Eastern Europe totaled only \$5.5 million, while the Soviet Union received American goods valued at \$524,000. Participants in the ERP will continue to seek an enlarged volume of intra-continental trade, particularly since the Eastern members of the UN Economic Commission for Europe have recently indicated a strong desire for such exchanges. . . . By using *Marshall aid* effectively, Britain hopes to stretch it 20 to 30 per cent further. As one way to do this, Foreign Minister Bevin has asked port officials and workers to reduce by three days the time of turning round Atlantic shipping. . . . The *atmosphere in Panama* is tense as the counting of ballots cast in the Presidential elections of May 9 continues. Former President Arnulfo Arias has a slight lead over his adversaries, aging Domingo Díaz Arosemena, the government's candidate, and José Isaac Fabrega. Nationalist and pro-Axis as President, Arias was deposed by the Supreme Court in 1941. His rivals have challenged his eligibility for office on constitutional grounds, and the Supreme Court has cautiously postponed any decision on this question until the results of the election are known.